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## RECORD OF ORAL HEARING

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

Ex parte RODNEY DAUGHTREY

Appeal 2008-0202  
Application 09/812,224  
Technology Center 3600

Oral Hearing Held: June 10, 2008

22 Before LEE BARRETT, ALLEN MacDONALD, and LINDA E. HORNER,  
23 Administrative Patent Judges

ON BEHALF OF THE APPELLANT:

DENIS G. MALONEY, ESQUIRE (by telephone)  
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32 The above-entitled matter came on for hearing on Tuesday, June 10, 2008,  
33 commencing at 1:01 p.m., at the U.S. Patent and Trademark Office, 600  
34 Dulany Street, Alexandria, Virginia, before Victoria L. Wilson, Notary  
35 Public.

## PROCEEDINGS

3 JUDGE BARRETT: Hello. This is Lee Barrett. Who am I speaking  
4 to?

5 MR. MALONEY: Good afternoon. This is Denis Maloney,  
6 Registration Number 29,670. I'm here for an oral hearing on application  
7 10/697823.

8 JUDGE BARRETT: Okay. I have with me Judge Allen MacDonald  
9 and Judge Linda Horner. And again, my name is Lee Barrett. And you can  
10 go any time you are ready.

11 MR. MALONEY: Hello?

12 JUDGE BARRETT: Yes. Can you hear us? Hello?

13 MR. MALONEY: Hi. Hello?

14 JUDGE BARRETT: Hello. Can you hear us?

15 MR. MALONEY: Yes, I can hear you. Can you hear me?

16 JUDGE BARRETT: Yes, we can.

17 MR. MALONEY: Okay.

18 JUDGE BARRETT: You can go any time.

19 MR. MALONEY: Do you want me to start?

20 JUDGE BARRETT: Yes, please.

21           Hello. Are you still there? Hello. Hello. I think we have got a  
22 speaker problem here. Can you hear me.

23 JUDGE MacDONALD: Hello?

24 MR. MALONEY: Hi.

25 JUDGE MacDONALD: Are you ready to go?

26 MR. MALONEY: Hello?

1           JUDGE MacDONALD: Are you ready to start?

2           MR. MALONEY: I'm ready.

3           JUDGE MacDONALD: Okay. Go ahead.

4           MR. MALONEY: Can I ask who is on the board today --

5           JUDGE BARRETT: Yes.

6           MR. MALONEY: -- who's on the panel?

7           JUDGE BARRETT: This is Lee Barrett, Allen MacDonald and Linda  
8 Horner.

9           MR. MALONEY: Okay. Thank you very much.

10          We have two rejections I would like to discuss today. One is the 101  
11 nonstatutory subject matter rejection; the other one is the anticipation  
12 rejection. I will probably not get to discuss the obviousness rejection. And  
13 if at any time you have any questions, please feel free to interrupt me.

14          Claim 1 is directed to a user interface that's displayed on a monitor  
15 that includes particular features which we can -- which we will discuss in  
16 conjunction with the anticipation rejection.

17          The examiner rejects claim 1 and claims 2 to 14 which depend  
18 directly and indirectly on claim 1 as being directed to nonstatutory subject  
19 matter.

20          Essentially, it is my view the examiner takes the position that when  
21 you've claimed a user interface which the examiner does not consider to be  
22 proper statutory class of invention and we would contend that that's not  
23 correct.

24          We have -- we have claimed the user interface displayed on a monitor.  
25 A monitor is a piece of hardware and, therefore, would be clearly statutory.

26          And secondly, the examiner had the argument that the user interface is

1 not operated, in other words, it has no functionality and we would also  
2 disagree with that line of reasoning of the examiner.

3 Specifically, in addition to Lowry and Warmerdam, which were cited  
4 in the briefs, we also feel that State Street and AT&T clearly support our  
5 position.

6 In State Street, the Federal Circuit found that the hub spoke financial  
7 system produced a useful concrete and tangible result by transforming data  
8 to represent discrete dollar amounts into a share price for a security;  
9 whereas, in AT&T, the invention had to do with the addition of a data field  
10 into a message record to indicate whether a call involved was considered a  
11 primary interchange carrier indicator.

12 JUDGE MACDONALD: Excuse me. This is Judge MacDonald. We  
13 are familiar with those cases. Could you move on past -- you don't need to  
14 describe the cases to us.

15 MR. MALONEY: Okay. So in each of those cases, the Court, first of  
16 all, rejected the idea that any sort of physical transformation is a requirement  
17 for patentability and specifically in AT&T where they merely indicated  
18 that's one way of identifying statutory subject matter.

19 In the present case, the board is presented with a claim to a user  
20 interface that's displayed on a monitor. It is the result of processing of fares  
21 and fare rules, which are rules we will get to in a moment, involving travel  
22 planning and produces a result of a summary of restrictions that are placed  
23 on the fares and in accordance with these fare laws.

24 It is thus limited to a manufacturer, maybe something that's displayed  
25 on a monitor; it produces a useful concrete and tangible result, namely, the  
26 summary, in the same way that State Street produced the final share price or

1 the final share price --

2 JUDGE BARRETT: Yes, but wasn't --

3 MR. MALONEY: -- and involved the transformation of data as  
4 required by AT&T, namely that's the result of promising the fares and the  
5 fare laws.

6 JUDGE BARRETT: But you are not claiming the transformation, are  
7 you?

8 MR. MALONEY: If you have no further questions on 101, I'll  
9 proceed with prior art rejections.

10 The examiner relies upon one reference, Tanner, to reflect most of  
11 applicant's claims. Before we get to discussion of Tanner and how those  
12 claims distinguish over Tanner, I would like to just very briefly, for a little  
13 background information, make -- draw a distinction between travel planning  
14 interface and Tanner --

15 JUDGE MacDONALD: Excuse me. Excuse me. This is Judge  
16 MacDonald.

17 MR. MALONEY: Sure.

18 JUDGE MacDONALD: You need to pause every once in a while  
19 because of the way our phone line works. We can't ask you a question  
20 because our questions aren't coming through on your end because the system  
21 cuts it out so that we can hear you speaking.

22 MR. MALONEY: Okay.

23 JUDGE MacDONALD: You need to pause a little bit every once in a  
24 while so we can break in.

25 MR. MALONEY: I'm sorry.

26 JUDGE MacDONALD: We actually had a question on the 101.

1        Judge Barrett.

2        MR. MALONEY: Okay.

3        JUDGE BARRETT: Yes. Where is the transformation in the claim?

4        I mean, you say it is the result of a transformation but there is no  
5        transformation occurring in the claim, is there?

6        MR. MALONEY: No. As a result -- I didn't say any transformation  
7        was in the claim, I said that the fare rules summary results in transformation  
8        of the fare data and the rules, the processing of those two things. That's how  
9        you arrive at that user interface.

10        So the user interface specifically requires display of that information,  
11        and therefore, if the information is displayed on the monitor, inherently there  
12        had to be some transformation of the data. I'm claiming the end result of  
13        that.

14        JUDGE MacDONALD: Well, how is that really any different than  
15        the situation in Nuitjen where the Court said that a signal was not statutory  
16        subject matter because it is not a manufacture within the meaning of the  
17        statute?

18        MR. MALONEY: In Nuitjen they were claiming a signal directly.  
19        We are not claiming a signal, we are claiming a monitor. We are claiming  
20        something that's being rendered to a user on a physical device, namely, the  
21        monitor. It is fixed, it is not transitory, as the Court recognized in that case.

22        JUDGE MacDONALD: How are you claiming the monitor? You are  
23        actually claiming the user interface which appears to be just information.

24        MR. MALONEY: No, I'm claiming user interface displayed on a  
25        monitor.

26        JUDGE MacDONALD: That's in the preamble.

1           MR. MALONEY: The words "displayed on a monitor" are clearly in  
2 the claim. Having -- I think to interpret claim 1 as this is claiming a user  
3 interface, number one, removes the words "displayed on a monitor" is just  
4 an exercise in semantics. It is clearly in the claim.

5           JUDGE HORNER: But if you have got -- can you hear me?

6           No, he can't hear me.

7           JUDGE MacDONALD: Hello?

8           JUDGE HORNER: Hello? Can you hear me?

9           MR. MALONEY: Sure.

10          JUDGE HORNER: Okay. This is Judge Horner.

11          If you have an abstraction, how does displaying that abstraction as an  
12 arrangement of information on a monitor make it -- render it from  
13 nonstatutory to statutory subject matter?

14          MR. MALONEY: Well, I think the Federal Circuit addressed that  
15 case in Warmerdam. In Warmerdam, they had four claims that were  
16 directed to a method that -- involving navigation of a bubble hierarchy,  
17 which my understanding is some sort of navigation technique used by  
18 robots. Those first four method claims recited no structure at all.

19          Claim 6 was directed to our data structure, and the claim -- and the  
20 Court found claims 1 through 4 and 6 nonstatutory; however, claim 5 in that  
21 case said any one of the methods of claims 1 through 4 executed on a  
22 computer system and they found that to be statutory simply by the addition  
23 of the word "computer system."

24          So I believe that the word "monitor" operates in a similar fashion as it  
25 did in Warmerdam.

26          JUDGE MacDONALD: Isn't that a little bit of an overstatement of

1 Warmerdam, though? Doesn't the bubble hierarchy actually change the  
2 function of the Warmerdam system? In other words --

3 MR. MALONEY: In Warmerdam, claim 1 was directed -- was  
4 directed to an abstract idea. The Court did not get into, really, the issue as to  
5 whether or not the bubble hierarchy by itself, *per se*, gave it statutory subject  
6 matter. What gave it statutory subject matter was the fact that it was being  
7 done on the computer system that was embodied in hardware.

8 JUDGE MacDONALD: So you're really --

9 MR. MALONEY: That's all the Court really --

10 JUDGE MacDONALD: Excuse me.

11 MR. MALONEY: As I read that case, that's all the Court required to  
12 find statutory subject matter in claim 5.

13 JUDGE MacDONALD: Again, you are going to have to pause every  
14 once in a while or we can't ask you questions.

15 MR. MALONEY: Sure.

16 JUDGE MacDONALD: However, what you're really arguing for, it  
17 sounds like, is form over substance -- any data placed on a monitor becomes  
18 statutory.

19 MR. MALONEY: Please repeat.

20 JUDGE HORNER: Say it again. He didn't hear you.

21 JUDGE MacDONALD: Hello?

22 MR. MALONEY: Yes.

23 JUDGE MacDONALD: Again, it sounds like you are saying that any  
24 data placed on a monitor becomes statutory -- form over substance.

25 MR. MALONEY: Well, I'm saying that claim 1 is statutory. I'm not  
26 saying any data placed on a monitor is statutory. I'm saying claim 1 is

1 statutory. Claim 1 is not a data, it is a graph of user -- or user interface that's  
2 displayed on a monitor and I believe that's statutory.

3 JUDGE MacDONALD: Go ahead.

4 JUDGE BARRETT: Go ahead.

5 JUDGE HORNER: Can you hear us?

6 MR. MALONEY: Yes, I can.

7 JUDGE HORNER: Okay. But you are calling this a user interface  
8 but it is a display of data. There is no interaction with the user here except  
9 for the user viewing the data on the screen. There is no -- the claim is just  
10 saying you are displaying or rendering data. So interface may be presumed  
11 some interaction but here you are just claiming rendering.

12 MR. MALONEY: Well, an interface on a computer has many, many  
13 functions. Sometimes it involves the user inputting information into the  
14 computer and other times it involves the user outputting or receiving the  
15 output of information from the computer, but in either event, it is useful for  
16 the user to see this information.

17 It is really not much different, if you will, than what State Street had  
18 in -- State Street Bank case in -- claim in that case in which what they did  
19 was calculate a fare -- a share price from a bunch of data.

20 JUDGE HORNER: The distinction there being --

21 MR. MALONEY: They were calculating, if you will, some  
22 restrictions on fares by application of fare rules and presenting that in a  
23 cogent and cohesive manner to the user so they can make decisions based  
24 upon what types of fares to consider for travel planning.

25 JUDGE HORNER: The distinction with State Street being they were  
26 doing a calculation. I don't see where the --

1           MR. MALONEY: Right. And there is a calculation implicit in claim  
2 1. It's the result of the calculation that I'm -- that I am trying to claim.

3           So I can have a situation, for example, where the calculation is being  
4 done in Bermuda but the interface is being displayed in New York, and  
5 therefore, I have infringement in the United States.

6           Otherwise, if you take that -- take that view, you are going to allow  
7 people to take all this intellectual property, put it overseas on servers  
8 overseas and not have the patents in the United States ever control what goes  
9 on with that intellectual property and the people who develop all this stuff  
10 and spend a lot of money to develop these things will not be able to receive  
11 just compensation for what they are giving to the public.

12           JUDGE MacDONALD: So you are basically --

13           MR. MALONEY: That's, unfortunately, the problems with computers  
14 and software.

15           Are we finished with 101 or do you have more questions?

16           JUDGE MacDONALD: Can you hear us?

17           JUDGE BARRETT: Can you hear us? Can you hear us?

18           MR. MALONEY: Yes, I can.

19           JUDGE BARRETT: Okay. Why don't you proceed.

20           JUDGE HORNER: You can proceed.

21           MR. MALONEY: Okay. Thank you.

22           So with respect to the prior art rejections, I would like to just draw a  
23 distinction for a moment between travel planning that involves searching for  
24 flights and fares and evaluating whether or not those fares can be used with  
25 the flights, which is something that is what is basically described by Tanner  
26 and Tanner's interfaces.

1        And the idea of the fare rule summary tool that's the subject matter of  
2 these claims in which the techniques we have for user interface, the software  
3 and so forth, takes the various fares and summarizes the restrictions on these  
4 fares based upon these fare rules and with respect to the user interface  
5 presents these in a manner that can be used as a planning tool but does not  
6 specifically come up with any sort of travel options, in other words, the  
7 marriage of air flights with fares, to produce what's produced by Tanner.

8        So with respect to claim 1, claim 1 as we talked about, is directed to a  
9 user interface displayed on a monitor and the novel feature of claim 1 is this  
10 fare evaluation result table that displays fare rule summaries with fares and  
11 flashes up an itinerary.

12        And the features of this table include that the first one of the rows and  
13 columns represents fares and the second one of the rows and columns  
14 represents the fare rule summaries.

15        The examiner takes the position that Tanner describes these -- these  
16 features, and we take issue with that.

17        Tanner merely describes what we consider to be, like, a pricing  
18 solution that -- that has a price for a particular flight between a destination --  
19 between an origin and a destination. In particular, Tanner does not describe  
20 fares.

21        The examiner considers that Tanner describes fares by the display that  
22 Tanner has regarding the -- the price, he has -- we have the adult, the tax, the  
23 total.

24        The examiner considers it to be fares but those are, in fact, not what  
25 the industry recognizes as fares or what Tanner recognizes as fares but  
26 simply the price for a ticket.

1           A fare, if you will, is something that's more -- that's -- which we show  
2 in the first column of figure 3, and that involves an airline, a market -- so  
3 using an example, say, Boston to Philadelphia, with some fare -- with some  
4 restrictions such as a one-way fare or round trip, and then a code, such as F,  
5 which is a full fare.

6           Then it also has a price, which is separate and apart from the fare --  
7 the fare price. So in Tanner, Tanner does not have this fare displayed in any  
8 of its interfaces. Tanner also does not have these fare rules or summaries of  
9 these fare rules.

10          The examiner considers that Tanner described these fare rules by the  
11 column that says "Rules," with a little button control, and the examiner  
12 makes an argument that the rules have -- our summary based upon whether  
13 or not the button has a dot in it or not and talks about availability and talks  
14 about not applicable.

15          The examiner actually really confuses many, many of these different  
16 features. But specifically with respect to the rules that's in the Tanner  
17 reference, Tanner describes these things as flight rules.

18          He doesn't describe these as fare rules and certainly doesn't show any  
19 of the categories of fares which we display, for example, in claim 1 and  
20 which are derived from ATPCO, which is the air -- the industry's traffic --  
21 tariff disseminators.

22          In other words, they acquire all the various tariffs and fares from  
23 different carriers and they publish these to the entire industry. So Tanner  
24 does not describe any of these features.

25          With respect to claim 1, the examiner has somewhat novel reasoning  
26 about how he wants to construe our claim 1. Specifically, we mentioned

1 earlier we have language in there that says the first one in rows and columns  
2 representing fares and the second one in rows and columns representing fare  
3 rule summaries.

4 We believe the structure clearly reads on an arrangement in which the  
5 rows represents fares and the columns represent fare rule summaries, or vice  
6 versa where the columns -- the rows represent fare rule summaries and the  
7 columns represent fares.

8 So in other words, to prevent an infringer from easily getting around  
9 the claim by just tipping the table 90 degrees.

10 The examiner, however, views this language as calling for at least one  
11 of a row or column, and when you literally apply this to claim 1, it would  
12 require -- the claim required both the rows and the columns to allow for two  
13 different arrangements.

14 And specifically it says that -- it required the claim to say that the row  
15 and the column represents the fare and the fare rule summaries, and that's  
16 not, first of all, described in Tanner, nor is that what we are, in fact,  
17 claiming, nor is that described by applicant.

18 So I believe the examiner's interpretation of our claim 1 is, first of all,  
19 improper because this is an anticipation rejection, not an obviousness  
20 rejection. The language is, in fact, quite clear and this is a technique that's  
21 used by many drafters to handle this type of situation where you want to be  
22 able to claim two alternatives in a claim.

23 And also, it -- even given this examiner's construction in claim 1, it  
24 still does not describe claim 1 because to represent both the fare price and  
25 the fare rule and the summary in the same row is just simply not what  
26 Tanner or applicant has claimed or what applicant describes.

1        So we -- claim 1 requires multiple columns and multiple rows devoted  
2 to the fare rules and for a given fare, and therefore, we think the examiner's  
3 novel interpretation of claim 1 is improper.

4        So again, to sum up claim 1, Tanner does not depict fares, it depicts  
5 prices; does not display fare rule summaries. Tanner displays fare codes,  
6 and therefore, we believe claim 1 is patentable over Tanner.

7        Claim 2 further distinguishes over Tanner and specifically calls for the  
8 arrangement where the rows represent fares and the column represents --  
9 columns represent the rule summaries and that's specifically what's  
10 described in figure 3 of applicant's specification. That's exactly what we  
11 described.

12       The examiner takes the position that by combining figures 3 and 4A  
13 together, he had the claimed arrangement. Figures 3 and 4A are basically  
14 described -- are basically describing the same material, it is just slightly  
15 different processing at that stage.

16       And in any event, if you put figures 3 and 4A together, they still don't  
17 depict the claimed arrangement for the same reasons we discussed in claim  
18 1. It doesn't detect the literal reading of the rows representing fares and the  
19 columns representing fare rule summaries.

20       Claim 4 talks about commonality restrictions in some of the fare rules  
21 published by ATPCO. They are commonality restrictions about what types  
22 of fares can be combined together.

23       And we don't need to get into those -- those specifics of that, but in  
24 what we are describing -- what we are claiming, actually, in claim 4 are  
25 codes that are generated by the software and are displayed in the last eight or  
26 so columns of figure 3 under the heading "CMVS98," the commonality

1 restrictions.

2        And those codes basically represent what fares can be combined with  
3 other fares in the other slices. Slices of a journey, for example, is the  
4 outbound flight and the return flight, those are two different slices of a  
5 journey.

6        And you can get those tickets priced separately or you can get them  
7 priced together and some fares can be used for combined slices, others can't,  
8 and this is what that's trying to display.

9        JUDGE MacDONALD: Hello? Hello?

10        MR. MALONEY: And claim 5 has further specification on the fare  
11 rule -- on the table, talks about the fare rules organized into categories of  
12 fare rules and sells a fare evaluation table containing a status that would  
13 correspond to pass/fail or defer for the fares.

14        JUDGE MacDONALD: Hello?

15        MR. MALONEY: Yes.

16        JUDGE MacDONALD: This is Judge MacDonald. You have one  
17 minute to wrap up.

18        MR. MALONEY: Okay. So if you look at claims 5 and claims 8, the  
19 examiner basically uses this AVL feature in Tanner as corresponds to quite  
20 different things in applicant's claims.

21        In claim 5, we use that to indicate whether or not the fares pass/fail or  
22 fail, the particular fare rules or whether the evaluation of those rules has  
23 been deferred because the computer doesn't have enough information.

24        Whereas in claim 8, we talk about whether or not the summaries for  
25 those particular rules are completed or missing information. And those are  
26 actually different things that are described in our application.

1        The examiner uses the same element to indicate both those things  
2 which I believe is improper. It can be one or the other but it can't be both.

3        My other -- claims 15 and claims 19 and 20 are basically directed to  
4 similar subject matters as the other claims. They are either methods or  
5 computer program products and I believe that, you know, they would be  
6 technical for analogous reasons.

7        They don't have the same nonstatutory subject matter rejection as  
8 claim 1 in this application has. I believe that all the claims, however, are  
9 patentable under 101, as well as the prior art.

10       Finally, with respect to the obviousness rejection, we believe the  
11 examiner has not shown any basis for combining the references, at least  
12 given the fact that the primary reference doesn't teach any of the features  
13 that are being claimed in the claims.

14       That's all I have. If you have any questions, I will be happy to take  
15 them; otherwise, I thank you very much for your time.

16       JUDGE BARRETT: Okay. I think that's it. The case is submitted.  
17 Thank you.

18       MR. MALONEY: All right. 'Bye-'bye.

19       JUDGE MacDONALD: We are off the record.

20       (Whereupon, the proceedings at 1:28 p.m. were concluded.)